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The Week Ahead: Still a Holiday Week, But More Transitional Time Time

For the second straight week, the bond market will lose a day and a half of trading to holiday market closures. That largely implies the same effects as those seen last week (outlined in greater detail in the winter holiday message below). The short version is that volume and liquidity are as light as they get at this time of year. Bonds would prefer not to move much when that's the case, but are paradoxically easier to push around if imbalances arise.

Bonds close early tomorrow for New Year's Eve and are fully closed on Wednesday for New Year's Day. The only top tier econ data release is Friday's ISM Manufacturing PMI, but the potential signing of the phase 1 trade deal could make waves if it actually happens before then. Some news stories suggest that's possible while the White House is currently saying "within the next week or so" and that they're "waiting for the translation."

MBS Live Winter Holiday Message:

The juxtaposition of Christmas and New Year holidays makes this time of year truly unique for financial markets. Important data and events can still transpire and some traders may indeed try to make relatively bigger moves. We've even seen instances of big-picture trading themes begin to take shape heading into a new year, but these are exceptions to the market's baseline goal. Simply put: **traders are people too**. The average trader would simply like markets to hold steady until the 2nd week of January when liquidity and volume return and trading conditions get back to a semblance of normal. Between now and then, trading takes place on an 'as-needed' basis. In other words, people will respond if something is rocking the boat, but most would prefer the boat not to be rockin'.

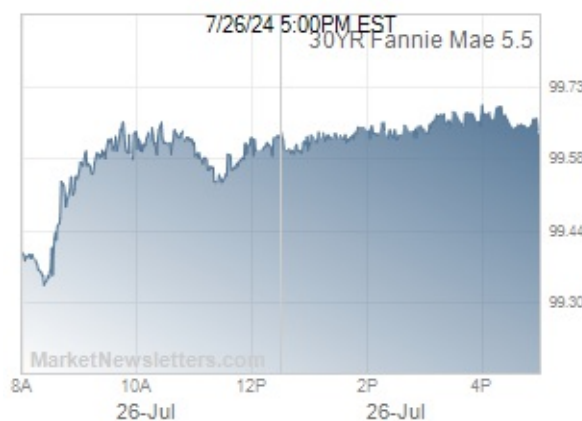
Due to **illiquidity**, if imbalances arise (i.e. a few big traders decide to buy/sell a bigger amount of bonds) it can move prices/yields much more than it otherwise would.

My baseline goal over the winter holidays is analogous to that of the average trader. Unless something is rocking the boat, I won't be writing much by way of riveting analysis at this time of year. Rest assured, I will be here and I will continue monitoring markets like a hawk and sending out alerts as needed. Even so, you should never rely solely on my written alerts. **I highly recommend you set up automated alerts [HERE](#)** and refine them over time to suit your individual needs.

MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 5.5	99.68	+0.27
MBS GNMA 5.5	99.98	+0.13
10 YR Treasury	4.1958	-0.0474
30 YR Treasury	4.4523	-0.0305

Pricing as of: 7/26 5:59PM EST



Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	6.86%	-0.05	0.00
15 Yr. Fixed	6.31%	-0.02	0.00
30 Yr. FHA	6.32%	-0.06	0.00
30 Yr. Jumbo	7.04%	-0.03	0.00
5/1 ARM	6.53%	-0.02	0.00
Freddie Mac			
30 Yr. Fixed	6.78%	-0.08	0.00
15 Yr. Fixed	6.07%	-0.09	0.00
Mortgage Bankers Assoc.			
30 Yr. Fixed	7.00%	-0.03	0.60
15 Yr. Fixed	6.63%	+0.07	0.61
30 Yr. FHA	6.87%	-0.03	0.92
30 Yr. Jumbo	7.13%	+0.02	0.38
5/1 ARM	6.22%	-0.16	0.60

Rates as of: 7/26

In addition to less frequent commentary, I'll also be less tuned-in to the live chat channel on MBS Live. If you have a question that goes unanswered, please feel 100% free to [contact me directly](#).

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Because Integrity Matters™

Jeffrey has spent the last three decades perfecting an Honest, Open and Transparent (HOT™) loan and closing process that is laser-focused on enhancing the consumer mortgage experience. By combining old-school, trustworthy customer service with real-time, mobile-friendly technology, he has successfully built thousands of loyal, raving fans.

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